

## **Minutes of the Meeting of September 26, 2014**

**of the**

### **MASSACHUSETTS TEACHERS' RETIREMENT BOARD**

#### **I. Regular Matters of Business**

In attendance at this regular meeting of the Massachusetts Teachers' Retirement Board ("the Board") were Chairman Jeff Wulfson, Vice Chair Nicola Favorito, Richard L. Liston, Karen A. Mitchell, Dennis J. Naughton, Anne Wass, Executive Director Joan Schloss, Deputy Executive Director Erika Glaster, Assistant Executive Director Sean Neilon, General Counsel James Salvie, Susan Morgan, Director of Strategic Planning and Project Management, and Executive Assistant Helen Petruzzello. In addition, Sophia Apostola, served as the State Auditor's designee in Ms. Quinn's absence due to personal matters.

The meeting was called to order at approximately 9:12 a.m.

#### **A. ANNUAL SYSTEM REVIEW AND CONSTITUENTS FORUM**

Chairman Wulfson welcomed all invited speakers and participants. The Chairman recognized the milestone of The Massachusetts Teachers' Retirement System celebrating its 100<sup>th</sup> anniversary this year and the "bittersweet" well-deserved upcoming retirement of Ms. Schloss, additionally acknowledging the Board's confidence in Ms. Glaster as her appointed successor. Attendees introduced themselves including State Auditor Suzanne M. Bump, Joseph Connarton, Executive Director and James Lamenza, Actuary of The Public Employee Retirement Administration Commission, Paul Todisco, Senior Client Service Officer of The Pension Reserves Investment Management Board and Robert Brousseau, Elected PRIM Board Member representing the members of the Teachers' Retirement System. Additionally representatives of the various constituent groups included David Verdolino of The Massachusetts Association of School Business Officials, Thomas Scott and Paul Andrews of The Massachusetts Association of School Superintendents, Jim Lucia of Massachusetts Retirees United, Ann Clarke, Stevens Day and Sean King of The Massachusetts Teachers Association, Donald McCallion and Thomas Campbell of The Massachusetts Association of School Personnel Administrators, Thomas Gosnell and Michael Canavan of The American Federation of Teachers-Massachusetts, William Nolan

of The Retired Educators Association of Massachusetts, Glenn Koocher of The Massachusetts Association of School Committees and Frank Valeri and Shawn Duhamel of The Retired State, County, and Municipal Retirees Association.

On behalf of the Board, Chairman Wulfson expressed sympathy on the passing of Chairman Domenic J.F. Russo in May of 2014. State Auditor Bump thanked both Ms. Schloss and Treasurer Grossman for their service to the Commonwealth and made some introductory remarks. Mr. Connarton also thanked Ms. Schloss and summarized recent activities of the Commission. Treasurer Steven Grossman joined the meeting at approximately 9:33 a.m. Mr. Lamenzo provided the Board and guests a copy of the January 1, 2014 Teachers' Retirement System Actuarial Valuation Report as well as an explanation of the report. He and Mr. Connarton answered questions from the MTRS Board and the participants. State Auditor Bump left the meeting at approximately 9:55 a.m.

Treasurer Grossman presented the MTRS Board with a citation recognizing its 100<sup>th</sup> anniversary. The Treasurer also thanked the representatives from PERAC and PRIM on their service to the Commonwealth and acknowledged Mr. Favorito's contribution serving as Executive Director of The State Retirement System for over ten years. Treasurer Grossman provided a summary of investment strategies and activities over the past year. Treasurer Grossman left the meeting at approximately 10:31 a.m. Mr. Todisco distributed copies and provided an explanation of the PRIT Fund Performance Review, which included a summary of FY 14 accomplishments, asset allocation, fund performance, Project SAVE activity and a detailed accounting of the PRIT Fund. Mr. Todisco answered questions from the Board and the participants.

At approximately 10:52 a.m. the meeting recessed and reconvened at approximately 11:06 a.m.

Ms. Schloss introduced Leigh Snell, Director of Federal Relations for The National Council on Teacher Retirement, who provided an update on the challenges and threats that the public pension system is facing at the federal level.

At approximately 12:10 p.m. the meeting recessed for a luncheon break, the meeting reconvened at approximately 12:55 p.m.

A discussion was held among the participants regarding establishing a united effort to educate members, focusing on newer members, on the current threats and challenges to the defined benefit contribution plans, locally and nationally. The Chairman thanked all the constituents for their participation.

At approximately 1:05 p.m., the meeting recessed for a break while the constituents left the meeting. The meeting reconvened at approximately 1:08 p.m.

## **II. Regular Matters of Business**

The minutes of the previous Board meeting, held on August 29, 2014, were reviewed and approved as submitted on a motion made by Mr. Liston and seconded by Mr. Naughton. The motion carried 6-0-1 with Ms. Apostola abstaining due to her absence from the August meeting.

**VOTED: The Open and Executive minutes of the Board meeting held on August 29, 2014, are hereby approved as submitted.**

## **III. Executive Session**

A motion was made by Ms. Mitchell, and seconded by Mr. Liston, to enter into Executive Session in order to review applications for disability retirement. On roll call, the vote was as follows:

<b>VOTED:</b> Vice Chair Nicola Favorito	Yes
Richard L. Liston	Yes
Karen A. Mitchell	Yes
Dennis J. Naughton	Yes
Sofia Apostola	Yes
Anne Wass	Yes
Chairman Jeff Wulfson	Yes

At approximately 1:09 p.m. the Board went into Executive Session. The Chairman stated that the Board would return to Open Session.

At approximately 1:13 p.m. the Board reconvened in Open Session and Chairman Wulfson announced the Board's actions during Executive Session on the following items.

## **ORDINARY DISABILITY RETIREMENT**

### **1. Donald Russell**

The application of Donald Russell for ordinary disability retirement benefits was reviewed, together with the medical panel reports and other information. On a motion to approve the application for ordinary disability retirement, made by Mr. Liston and seconded by Mr. Favorito, the roll call vote was as follows:

<b>VOTED:</b> Vice Chair Nicola Favorito	Yes
Richard L. Liston	Yes
Karen A. Mitchell	Yes
Dennis J. Naughton	Yes
Sofia Apostola	Yes
Anne Wass	Yes
Chairman Jeff Wulfson	Yes

**VOTED: The application of Donald Russell for ordinary disability retirement benefits was approved.**

### **2. Elizabeth Killorin**

The application of Elizabeth Killorin for ordinary disability retirement benefits was reviewed, together with the medical panel reports and other information. On a motion to approve the application for ordinary disability retirement, made by Mr. Favorito and seconded by Mr. Liston, the roll call vote was as follows:

<b>VOTED:</b> Vice Chair Nicola Favorito	Yes
Richard L. Liston	Yes
Karen A. Mitchell	Yes
Dennis J. Naughton	Yes

Sofia Apostola	Yes
Anne Wass	Yes
Chairman Jeff Wulfson	Yes

**VOTED: The application of Elizabeth Killorin for ordinary disability retirement benefits was approved.**

### **3. Helen Lipkin**

The application of Helen Lipkin for ordinary disability retirement benefits was reviewed, together with the medical panel reports and other information. On a motion to approve the application for ordinary disability retirement, made by Mr. Liston and seconded by Mr. Naughton, the roll call vote was as follows:

<b>VOTED:</b> Vice Chair Nicola Favorito	Yes
Richard L. Liston	Yes
Karen A. Mitchell	Yes
Dennis J. Naughton	Yes
Sofia Apostola	Yes
Anne Wass	Yes
Chairman Jeff Wulfson	Yes

**VOTED: The application of Helen Lipkin for ordinary disability retirement benefits was approved.**

## **IV. Open Session**

### **B. EXECUTIVE DIRECTOR'S REPORT**

1. Ms. Schloss provided an update on the status of GASB 67/68 reporting.
2. Ms. Schloss previewed the tentative agenda items for the October Board meeting and a decision was made to extend the meeting's schedule until 1 p.m.
3. The Chairman reported the advanced transition schedule for the Executive Director's position and the new effective date of November 24, 2014 as when Ms. Glaster will assume the role as Executive Director. Ms. Schloss will use

her accumulated leave time until her retirement date. On a motion to approve this timeline made by Mr. Naughton, and seconded by Ms. Wass, the Board voted 7-0.

On a motion made by Mr. Liston and seconded by Mr. Naughton, the Board voted unanimously to adjourn the meeting at approximately 1:27 p.m.

Respectfully submitted,

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**Joan Schloss, Executive Director**

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Date

**Documents used in MTRS Board meeting of September 26, 2014**

- Agenda for September 26, 2014 MTRS Board meeting
- Cover letter from Executive Director
- Open and Executive minutes of August 29, 2014 MTRS Board meeting
- Memorandum from PMO to Executive Director regarding PMO Monthly expenditures for August 2014